

SECOND CENTURY HABITAT FUND, INC.
BOARD MEETING
CHAMBERLAIN, SD
AUGUST 26, 2019

Board Members Present: DeLon Mork, Steve Halverson, Tim Kessler, Jim Faulstich, Jim Scull, Larry Ness, Dr. Barry Dunn joined at 1:15pm, and Ex Officio Board Members Gary Jensen, GFP Commission Chair and Kelly Hepler, GFP Department Secretary. Others present: Rick Vallery Department of Agriculture, Neal Feeken with Nature Conservancy, Kevin Robling GFP, Tom Kirschenmann GFP and Executive Director Sean Blanchette.

CALL TO ORDER AND CHANGES TO AGENDA

Acting Vice President DeLon Mork called the meeting of the Second Century Habitat Fund, Inc. board to order at 1:08 pm CT and a quorum was present. No declarations or conflict of interest were heard. Blanchette stated that the meeting was being recorded. Hepler stated he wanted to make some room for broader discussion on how the board is governed and how we work together. Will add to goals and objectives.

APPROVE MINUTES OF JUNE 7, 2019 MEETING

Faulstich moved to approve minutes as presented, seconded by Jensen and the motion carried unanimously by voice vote.

FINANCIAL REPORT

Blanchette went through the financial report explaining the accounts and the breakdown of the accounts.

It was asked if the board could see what work Redstone Law Firm has done. Blanchette stated that material could be provided to the board.

Halverson moved to approve the financial report as presented, seconded by Kessler and the motion carried unanimously by voice vote.

RESOLUTION TO DISTRIBUTE FUNDS

Blanchette presented the Resolution to Distribute Funds. The appropriated funds which are currently being held at the South Dakota Community Foundation need to be moved to the First National Bank Checking account in order to make the incentive payment and seed purchasing process more efficient. Blanchette stated that he had made the request of the SDCF, but they requested a formal Resolution from the Board.

Scull moved that the Second Century Habitat Fund, Inc. does hereby approve the distribution of the Senate Bill 176 appropriation from the Second Century Habitat Inc.

Pass through fund held at the South Dakota Community Foundation to the checking account at First National Bank held in the name of the Second Century Habitat Fund, Inc. and authorizes the Executive Director of the Fund to complete and sign all required documents to complete the transaction as presented, seconded by Dunn and the motion carried unanimously by voice vote. Mork signed the Resolution.

GOALS AND OBJECTIVES

- a. Second Century Initiative: Kirschenmann presented the Second Century Initiative schematic. Kirschenmann explained the Hunt for Habitat. Approx. \$320,000 was raised for that Hunt for Habitat Initiative. Discussion and questions regarding the different GFP programs and projects in regards to implementing habitat; raising funds, providing access. School and Public Lands properties were discussed as a potential avenue of improving habitat. Kirschenmann stated could see a lot of grazing opportunities, water development and fencing out. License check-off donations have received roughly \$10,000 so far. Habitat window decals will be another fund raiser as well. Hepler discussed fee adjustment to provide more dollars for habitat and access and increase quality of accessible area and public fisheries, Kirschenmann estimated that an adjusted fee package would generate an additional 6.2 to 6.3 million dollars. GFP has several internal programs on walk in and GPA's, GFP spends 12 to 13 million dollars annually on internal programs.
- b. Development Services: Hepler discussed the appropriation, need to go back and talk about how money is used on the land. Appropriators want to see a match of the appropriation through fundraising efforts. Question will come up in legislative session. Need to have a broad discussion on fundraising. Governor wants to engage and plan for raising matching funds. Question was asked if it is possible to hire a Development Director. Hepler asked what role the board wants to play in fundraising. Scull asked can we approach Rocky Mountain Elk Foundation to help with fundraising. Stated we have not contacted them directly. Faulstich initiated discussions on using NRCS funds as a match. Suggested using Zimprich as a contact with the governor. Dunn asked how we can get the million dollar match by legislative session. Hepler stated the goal in the next 4 months is to raise a million dollars. Dunn asked how we can help. Kelly will report back to Governor and discuss a plan. Mork stated this board is willing to help where it can.
- c. Additional programs:
 - a. Robling gave an overview of the establishment of the EAC study, the reasoning for the program (ROI for producer) for setting marginal acres aside; quantifying "how does habitat pay?". We are close to implementation stage. PI's are enrolling participants. Software program is being developed. We have a lot of partners and collaborators. Dunn stated largest extension demonstration project he's ever heard of and believes it will be highly impactful. Dunn stated that the scale of the project will provide undeniable validation. Robling status of program: software being evaluated, participants being enrolled, focusing on zones all within east

river; planting next year for 5 year study of treatment and control; GFP, PF, NRCS and other partners are helping locate participants. Halverson asked will this expand West River at some point; Robling stated it would. Discussion on criteria for selecting participants: operation size, location, existing data, etc.

- b. Jensen asked who is doing which programs, what is the priority for each organization? Commission could allocate dollars towards EAC if they wanted. Hepler says that doesn't provide access. Commission wants to help and is excited about what this fund is doing.

SECOND CENTURY HABITAT PROGRAM

- a. Program enrollment update: Kirschenmann gave a summary of current contracts; original anticipated enrollment; issues that have arisen since the inception, weather and other factors that are hampering efforts to get more acres enrolled. 10 landowners; over 550 acres enrolled, \$83,175 obligated towards incentive payments; \$26,700 obligated towards seed. Program has a slow start but high level of optimism exists. \$131,000 total is obligated as of today. Enrollments across 6 counties. Need to get more information out about the program. Faulstich asked if anyone has generated a flier or any other promotional material. Mork stated we need to make an effort at getting the word out about this program. Hepler stated the Governor asked if we need to raise the price and Hepler stated it is unique to this year.
- b. Seed sourcing bid selection: Kirschenmann presented seed bids. Two bids received from: Millborn Seed and Mustang Seed. GFP staff generated two seed mixes; Blanchette sent bid sheet out to all vendors on USDA list of seed dealers based in SD by direct email on August 2nd, deadline was August 16th (2 weeks); Millborn's bid is \$47/acre, Mustang's bid is \$50/acre; Faulstich stated we need to include stipulation that no noxious weed is allowed. Vallery stated seed labeling rules are changing and an amount of noxious weeds that can come in to the state which should help the process.

Halverson moved to accept Millborn seed bid as presented, seconded by Kessler and motion carried unanimously by voice vote.

- c. Landowner Agreement language modification: Kirschenmann presented the modified language which was highlighted in the book entry.

Jensen moved to approve the Landowner Agreement language modification as presented with an additional language change in Section 13 to strike "the auction of a bighorn sheep auction tag" and replace with "license sales", seconded by Scull and the motion carried unanimously by voice vote.

GOVERNANCE

- a. Upcoming elections: Board will need to develop a list of candidates and slate of officers for Governor's recommendation and action at fall meeting. Committed to develop list of candidates are Mork, Hepler and Scull.

- b. Meeting scheduling – try to schedule around Governor's hunt; develop 2020 meeting schedule for adoption at next meeting.
- c. Advisory Board –Is a formal advisory board necessary? Feeken stated that formal establishment of board isn't necessary. Board suggests informal capacity, but need to continue to invite them to participate in meetings. Minutes will get out to NGOs.

GFP COMMISSION PERSPECTIVES

Jensen stated commission is supportive of Fund; we have fiduciary responsibility to sportsmen and sportswomen. Commission faces difficult issues but is here to do what they can to help.

HABITAT AWARD

Robling discussed former habitat partner of the year within GFP. Does the board have interest in establishing an annual award to recognize someone who greatly contributes to habitat across the state. Benefits are fund recognition, recognition and support of producers in SD; GFP will draft up criteria for consideration.

TRANSITIONS

Blanchette announced departure from the Department. Search for replacement is underway. In the meantime, signature authority on contracts and financial transactions will lie with Mork and Halverson. Blanchette was thanked by the Fund.

ADJOURN

Scully made the motion to adjourn the meeting and Kessler seconded the motion carried unanimously by voice vote.

Mork adjourned the meeting at 4:00 pm.

Respectfully submitted,

Sean Blanchette, Executive Director

Date

Approved by,

DeLon Mork, Vice President (Acting President)

Date